

DGC/CC
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11 AUG 1964

Honorable Joseph Campbell
The Comptroller General
of the United States
Washington, D. C.

Dear Mr. Campbell:

The Government Employees Salary Reform Act of 1964, passed by the Congress and awaiting approval of the President, provides in Section 501 for compensation increases to become effective on the first day of the first pay period which begins on or after July 1, 1964. Although the Central Intelligence Agency is exempt from the provisions (except Title XII) of the Classification Act of 1949, as amended, it has consistently adhered to the general compensation schedules provided in that Act as the basis for its salary administration program.

Statutory authority for the Agency to establish a salary administration program was approved by the Congress in the Central Intelligence Agency Act of 1949, as amended. Pursuant to that authority, the Acting Director, by memorandum dated 8 October 1962, issued a policy directive, the body of which provides as follows:

1. This memorandum will serve to reaffirm the existing policy that the Agency, insofar as practicable, will adhere to the compensation schedules and other provisions of the Classification Act of 1949, as amended, and as it may be amended hereafter, for all staff personnel of the Agency except as may be otherwise authorized by the Director of Central Intelligence.

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2. Revision of the general compensation schedule, provisions for initial adjustment of salaries to such revised schedules, and other changes in the Classification Act will be given effect in the future by the Central Intelligence Agency whenever the law is amended. The effective date of such revisions and changes will be in accordance with the provisions of law making such changes.

The intent of this directive was to apply any change in general compensation schedules as approved by Congress in subsequent legislation to the salary rates of employees of the Central Intelligence Agency and in addition to make such change effective as of the date provided by Congress in such legislation. Pursuant to this directive and without further action by the Director of Central Intelligence, the Agency implemented the general compensation schedule increases provided in the Postal Service and Federal Employees Salary Act of 1962, which increases occurred in two increments, the first in October of 1962 and the second in January of 1964.

In the 1951 amendments to the Classification Act of 1949 it was provided "This Act shall become effective as of the first day of the first pay period which began after June 30, 1951." On the other hand, in the Government Employees Salary Reform Act of 1964, it is provided that "...the increases in compensation made by this Act shall become effective on the first day of the first pay period which begins on or after July 1, 1964." Considering the difference in wording of the two Acts and in view of the intent and wording of the Agency directive of 8 October 1962, I believe the present factual situation differs from that considered in your decision B-106516 dated November 21, 1951.

Therefore, I believe the policy directive of 8 October 1962 issued pursuant to the authorities granted the Director of Central Intelligence under the Central Intelligence Agency Act of 1949, as amended, constitutes the legal basis to make salary adjustments

for Agency employees consistent with the effective date of the increases provided in the Government Employees Salary Reform Act of 1964. I do not believe such action inconsistent with your 1951 opinion nor inconsistent with the intent of the Congress in view of the wording of the Government Employees Salary Reform Act of 1964.

I would appreciate an early expression of your view on this matter.

Sincerely,

SIGNED

John A. McCone
Director

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